



General Assembly

February Session, 2004

Raised Bill No. 112

LCO No. 1133

* _____SB00112INS__030304_____*

Referred to Committee on Insurance and Real Estate

Introduced by:
(INS)

***AN ACT CONCERNING STATUTES APPLICABLE TO HEALTH CARE
CENTERS AND THE ISSUANCE OF STOP LOSS POLICIES.***

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 38a-188 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2004*):

3 [A] Each health care center governed by sections 38a-175 to 38a-192,
4 inclusive, shall be exempt from the provisions of the general statutes
5 relating to insurance in the conduct of its operations under said
6 sections and in such other activities as do constitute the business of
7 insurance, unless expressly included therein, and except for the
8 following: Sections 38a-11, as amended, 38a-17, 38a-51, 38a-52, 38a-56,
9 38a-57, 38a-129 to 38a-140, inclusive, 38a-147 and 38a-815 to 38a-819,
10 inclusive, as amended, provided a health care center shall not be
11 deemed in violation of sections 38a-815 to 38a-819, inclusive, as
12 amended, solely by virtue of such center selectively contracting with
13 certain providers in one or more specialties, and sections 38a-80, 38a-
14 492b, 38a-518b, 38a-543, 38a-702j, 38a-703 to 38a-718, inclusive, 38a-731
15 to 38a-735, inclusive, 38a-741 to 38a-745, inclusive, 38a-769, 38a-770,
16 38a-772 to 38a-777, inclusive, 38a-786, 38a-790, 38a-792 and 38a-794,

17 provided a health care center organized as a nonprofit, nonstock
 18 corporation shall be exempt from sections 38a-146, 38a-702j, 38a-703 to
 19 38a-718, inclusive, 38a-731 to 38a-735, inclusive, 38a-741 to 38a-745,
 20 inclusive, 38a-769, 38a-770, 38a-772 to 38a-777, inclusive, 38a-786, 38a-
 21 790, 38a-792 and 38a-794. If a health care center is operated as a line of
 22 business, the foregoing provisions shall, where possible, be applied
 23 only to that line of business and not to the organization as a whole. The
 24 commissioner may adopt regulations, in accordance with [the
 25 provisions of] chapter 54, stating the circumstances under which the
 26 resources of a person which controls a health care center, or operates a
 27 health care center as a line of business will be considered in evaluating
 28 the financial condition of a health care center. Such regulations, if
 29 adopted, shall require as a condition to the consideration of the
 30 resources of such person which controls a health care center, or
 31 operates a health care center as a line of business to provide
 32 satisfactory assurances to the commissioner that [it] such person will
 33 assume the financial obligations of the health care center. During the
 34 period prior to the effective date of regulations issued under this
 35 section, the commissioner shall, upon request, consider the resources
 36 of a person which controls a health care center, or operates a health
 37 care center as a line of business, if the commissioner receives
 38 satisfactory assurances from such person that it will assume the
 39 financial obligations of the health care center and determines that such
 40 person meets such other requirements as the commissioner determines
 41 are necessary. A health care center organized as a nonprofit, nonstock
 42 corporation shall be exempt from the sales and use tax and all property
 43 of each such corporation shall be exempt from state, district and
 44 municipal taxes. Each corporation governed by sections 38a-175 to 38a-
 45 192, inclusive, shall be subject to the provisions of sections 38a-903 to
 46 38a-961, inclusive. Nothing in this section shall be construed to
 47 override contractual and delivery system arrangements governing a
 48 health care center's provider relationships.

49 Sec. 2. (NEW) (*Effective October 1, 2004*) No stop loss policy may be
 50 issued or delivered in this state unless a copy of the stop loss policy

51 form has been submitted to, and approved by, the Insurance
52 Commissioner pursuant to regulations that the commissioner may
53 adopt in accordance with chapter 54 of the general statutes. Such
54 regulations, if adopted, shall include, but need not be limited to, a
55 definition of a stop loss policy and the standards for filing and review
56 of stop loss policies.

This act shall take effect as follows:	
Section 1	<i>October 1, 2004</i>
Sec. 2	<i>October 1, 2004</i>

INS *Joint Favorable*